County of Los Angeles
CHIEF EXECUTIVE OFFICE
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
http://ceo.lacounty.gov

WILLIAM T FUJIOKA
Chief Executive Officer

"To Enrich Lives Through Effective And Caring Service""

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
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ZEV YAROSLAVSKY
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ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES
14 October 28, 2014
SACHI A. HAMAI
EXECUTIVE OFFICER

October 28, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

SET: November 18, 2014 @ 9:30 a.m.

Dear Supervisors:

APPROVE AND ORDER PUBLICATION OF NOTICE OF INTENTION TO PURCHASE REAL PROPERTY 1977 SATURN STREET, MONTEREY PARK (FIRST DISTRICT) (3 VOTES)

SUBJECT

Approval of the recommended actions will authorize the purchase of an approximately 15.84 acre parcel of real property located at 1977 Saturn Street in the City of Monterey Park, currently improved with a 205,628 square foot office building and 836 parking spaces.

IT IS RECOMMENDED THAT THE BOARD:

1. Consider the Negative Declaration for which no comments were received during the public review period, and find on the basis of the whole record before the Board that this project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment and analysis of the Board, and adopt the Negative Declaration.

2. Find that the purchase of the subject property will have no adverse impact on wildlife resources and authorize the Chief Executive Office to complete and file an appropriate determination form for this project.

3. Approve the Notice of Intention to Purchase Real Property for the parcel of improved real property located at 1977 Saturn Street, Monterey Park, consisting of approximately 15.84 acres of land with 836 parking spaces and 205,628 square feet of improvements for a purchase price of $38,452,436.

4. Instruct the Executive Office of the Board of Supervisors to publish the Notice of Intention in accordance with Government Code Section 6063.

5. Set a date for public hearing to receive comment and consummate the proposed acquisition.

AFTER THE PUBLIC HEARING, IT IS RECOMMENDED THAT THE BOARD:

1. Order the purchase to be consummated in accordance with Section 25350. Approve and delegate authority to the Chief Executive Officer, or his designee to execute the Agreement of Purchase and Sale with 1977 Saturn, LLC, A Delaware Limited Liability Company (Owner), in substantially similar form, to purchase the subject property for $38,452,436, plus title and escrow fees in an amount not to exceed $8,000.

2. Authorize the Chief Executive Officer or his duly authorized representative to take all further actions necessary and appropriate to complete the transaction, including opening and management of escrow, providing escrow with a $750,000 good faith deposit, which is applicable to the purchase price at the close of escrow, execution of any documentation to consummate the purchase, and accept the deed conveying title to the County of Los Angeles.

3. Establish Capital Project No. 70016 to purchase an approximate 15.84 acre parcel of improved real property located at 1977 Saturn Street, in the City of Monterey Park.

4. Approve the total project budget of $38,452,436, plus title and escrow fees, to acquire the subject property.

5. Authorize the Auditor-Controller to issue warrants, as directed by the Chief Executive Office, for the purchase price and any other related transactional costs.

6. Instruct the Assessor's office to remove the subject property from the tax roll effective upon the transfer.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On July 1, 2014, the Los Angeles County (County) Board of Supervisors (Board) directed the Chief Executive Office (CEO), with the assistance and input from the Community Development Commission, to report back with a proposed plan and timeline for the following:

- development, design, and construction of a new building at the Vermont Corridor;
- acquisition of an existing building and completion of tenant improvements therein to house departmental staff currently located at the Vermont Corridor; and
- issuance of a request for proposals to privately develop and/or sell the remaining County owned property at the Vermont Corridor.

The Board also directed the CEO to validate space requirements of administrative offices in the Vermont Corridor for the Departments of Mental Health (DMH), Parks and Recreation (DPR), and Community and Senior Services (DCSS). The County-owned facilities in the Vermont Corridor show a high level of physical deterioration, the infrastructure has outlived its useful life, and the working conditions for staff operating from these facilities necessitates immediate resolution.

Further, the Board authorized the CEO to identify a suitable property and complete negotiations for the acquisition of an offsite property that is compatible with departmental space programs and estimated building size.

The purchase of the real property located at 1977 Saturn Street in Monterey Park (Property) is in accordance with the Board's direction to provide alternative office space to house a combination of all or a portion of the identified departments, or other groups or departments, as recommended by the CEO. The Property can accommodate the estimated space programs for DCSS and DPR.

An independent appraisal was prepared and completed on July 30, 2014, by R.P. Laurain and Associates, Inc. to determine the value of the Property and appropriate price for the purchase. The appraisal, which was reviewed and confirmed by CEO Real Estate Division staff, concluded that the $38,452,436 proposed purchase price falls within an acceptable fair market range for the Property.

The proposed tenant improvements for the Property (Tenant Improvements) will involve renovation of the office space and other interior improvements. CEO will return to the Board in a future action to request authorization to proceed with design and construction of the Tenant Improvements, and at that point CEO will identify funding, a cost estimate, and an implementation schedule for such Tenant Improvements.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal 1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services. This includes strengthening the County's capacity to sustain essential services through proactive and prudent fiscal policies and stewardship while investing in the future by studying, prioritizing, and pursuing the highest-need capital projects. In this case, the County is supporting this goal by providing a suitable office building and parking in or near the community it services and develops a replacement plan for County facilities that have exceeded their useful life and can no longer be supported or maintained.

FISCAL IMPACT/FINANCING

The proposed acquisition is estimated to cost $38,452,436, plus title and escrow fees with an approximate total of $8,000.

The acquisition of the Property is funded with revenue offset appropriation currently budgeted within the 2014-15 Capital Projects Refurbishments Budget, under Capital Project No. 70016. There will be no impact to net County cost for the acquisition. The acquisition will be fully funded by the Asset Development Implementation Fund.

As noted in the recommendations, the County, as an inducement to the Owner to enter into a long-term escrow, and remove the property from the market, agreed to a good faith deposit of $750,000. This deposit will be placed into an interest bearing account, and become non-refundable after the County has completed its due diligence activities. However, the deposit will be applied to the purchase price, and will only be forfeited, if the County does not elect to complete the acquisition.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed acquisition will provide 205,628 square feet of office space and 836 on-site parking spaces in the City of Monterey Park. The building is a fully windowed two-story concrete tilt up structure, originally built in 1980, and has been occupied as an administrative, processing, and data center for banking operations since its inception. The facility is located within an office park complex near other commercial centers and is in close proximity to public transportation routes.

The Property sits on a 15.84 acre site totaling 689,772 square feet. The Property has been structurally, mechanically, and electrically assessed by the Department of Public Works (DPW) and has been determined suitable for purchase.

The County is authorized to complete the proposed purchase pursuant to the provisions of Government Code Section 25350. The County must authorize the publishing of a Notice of Intention to Purchase Real Property (NOI) in accordance with the provisions of Government Code Section 6063. Following publication of the NOI and receiving comment at a public hearing, County may consummate the transaction by acquiring title through escrow.

Both a Phase I and Phase II Environmental Site Assessment were completed for the Property and the conclusion is that there is no evidence of recognized environmental conditions to address or mitigate. In addition, an asbestos, lead-based paint, and PCB light ballasts and fluorescent bulbs assessment of the building were conducted. DPW Geotechnical and Materials Engineering Division confirmed that asbestos was identified in some of the baseboard mastic, tile, and stucco that were sampled and tested. Lead-based paint was also found in exterior paint samples, and PCB's were found in the tested light ballasts. DPW stated that the asbestos and lead-based materials are in good condition and not in need of immediate repair or removal.

The identification of these materials is common, and is typically not a significant factor that impedes the acquisition of a property, unless found in significant quantities. Prior to renovation or reconfiguring of the interior or exterior of the building, it is recommended that qualified professionals certified to identify, manage, and properly dispose of materials with PCBs, asbestos, or lead-based paint, be contracted to handle proper abatement activities. DPW Geotechnical and Materials Engineering Division provided an estimate of $355,000 to abate, contain, and remove/dispose asbestos-containing materials, lead-based paint, and the universal waste from the Property.

Owner has agreed to provide the County with a $175,000 credit at the end of escrow to offset County costs for abatement activities.

County Counsel has reviewed the NOI (Attachment A) and the Agreement of Purchase and Sale (Attachment B), and has approved them as to form. Additionally, as required by Government Code Section 65402, the proposed acquisition was submitted to the Director of the Community and Economic Development for the City of Monterey Park. The statutory amount of time allowed in which the City must provide a response to the Section 65402 request has expired, and therefore, the proposed acquisition is conclusively deemed to be in conformity with the City's general plan.

In accordance with the Board's Civic Art Policy adopted on December 7, 2004, and as amended on December 15, 2009, the proposed acquisition is exempt from the Civic Art Policy since the acquisition does not yield eligible project costs, such as design and construction, at this time. The Civic Art Policy will be reviewed and implemented, if necessary, when we return to the Board to request authorization to proceed with design and construction of the Tenant Improvements.

ENVIRONMENTAL DOCUMENTATION

The CEO completed an initial study of environmental factors for the project in compliance with the California Environmental Quality Act (CEQA). The initial study showed that there is no evidence that the purchase of the Property will have a significant impact on the environment. Based on the initial study, a Negative Declaration was prepared and a notice posted at the Property as required by CEQA Guidelines Section 15072. No comments to the Negative Declaration were received during the public review period. A fee must be paid to the State Department of Fish and Game when certain notices required by CEQA are filed with the Registrar-Recorder/County Clerk; however, the County is exempt from paying this fee when the Board finds that the project will have no impact on wildlife resources. This project is located on previously developed and urbanized land, and the initial study incorporated in the Negative Declaration concluded there will be no adverse effect on wildlife resources.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on or disruption of County services.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors, return two certified copies of the Minute Order, three fully-executed originals of the Purchase and Sale Agreements, and the adopted, stamped Board letter and the published Notice, once publication is completed, to the Chief Executive Office, 222 South Hill Street, Third Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:CMM
NH:RL:ls

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Assessor

NOTICE OF INTENTION TO PURCHASE REAL PROPERTY

NOTICE IS HEREBY GIVEN that it is the intention of the Board of Supervisors of the County of Los Angeles, State of California to purchase the real property consisting of an approximately 15.83± acre parcel of land together with a 205,628 square foot building located at 1977 Saturn Street (Assessor's Parcel Number 5265-026-054) in the City of Monterey Park, County of Los Angeles, State of California, as legally described on the attached Exhibit A for the sum of Thirty-Eight Million Four Hundred Fifty-Two Thousand Four Hundred Thirty-Six Dollars ($38,452,436.00) from the Seller, 1977 Saturn, LLC, a Delaware Limited Liability Company.

NOTICE IS HEREBY GIVEN that the purchase of real property will be consummated by the Board of Supervisors of the County of Los Angeles, State of California, on the 18th day of November, 2014, at 9:30 a.m. in the Hearing Room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012. No obligation will arise against the County and in favor of the Seller with respect to the purchase of the property described herein until the Board of Supervisors approves the purchase on the named consummation date.

SACHI A. HAMAI, Executive Officer
Board of Supervisors, County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

MARK J. SALADINO
County Counsel

By _____
Deputy

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MONTEREY PARK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL1:

PARCEL 5 OF PARCEL MAP NO. 7972, IN THE CITY OF MONTEREY PARK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 80 PAGES 45 AND 46 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPTING ALL OIL, GAS, HYDROCARBON SUBSTANCES, AND ALL MINERALS OF EVERY KIND, NATURE AND DESCRIPTION BEING MORE THAN 500 FEET BELOW THE SURFACE OF THE REAL PROPERTY WITHOUT THE RIGHT OF ENTRY FOR ANY PURPOSE WHATSOEVER UPON, OVER OR INTO THE SURFACE OR 500 FEET OF THE SURFACE OF THE REAL PROPERTY, AS RESERVED BY LOWRY B. MCCASLIN AND PAULINE C. MCCASLIN, HUSBAND AND WIFE AND MCCASLIN PROPERTIES, A CALIFORNIA GENERAL PARTNERSHIP, BY DEED RECORDED DECEMBER 10, 1985 AS INSTRUMENT NO. 85-1456239, OFFICIAL RECORDS.

PARCEL2:

LOTS 1, 2, 3 AND 16 OF TRACT NO. 33910, IN THE CITY OF MONTEREY PARK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 909 PAGES 76 TO 79 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPTING ALL OIL, GAS, HYDROCARBON SUBSTANCES, AND ALL MINERALS OF EVERY KIND, NATURE AND DESCRIPTION BEING MORE THAN 500 FEET BELOW THE SURFACE OF THE REAL PROPERTY WITHOUT THE RIGHT OF ENTRY FOR ANY PURPOSE WHATSOEVER UPON, OVER OR INTO THE SURFACE OR 500 FEET OF THE SURFACE OF THE REAL PROPERTY, AS RESERVED BY LOWRY B. MCCASLIN AND PAULINE C. MCCASLIN, HUSBAND AND WIFE AND MCCASLIN PROPERTIES, A CALIFORNIA GENERAL PARTNERSHIP, BY DEED RECORDED DECEMBER 10, 1985 AS INSTRUMENT NO. 85-1456239, OFFICIAL RECORDS.

Assessor's Parcel Number: 5265-026-054

DRAFT

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE is dated as of and is effective as of November __, 2014, and is entered into by and between 1977 SATURN LLC, a Delaware limited liability company ("**Seller**"), and the COUNTY OF LOS ANGELES, a body politic and corporate ("**Buyer**").

R E C I T A L S:

A. Seller is the owner of the Premises (as hereinafter defined) located at 1977 Saturn Street, Monterey Park, CA, 91755-7418. The Premises are currently subject to a certain lease agreement (the "**Lease**") with Bank of the West as tenant ("**Tenant**"), having a term that expires on June 30, 2015.

B. Buyer is desirous of purchasing from Seller the Premises and Seller is desirous of selling same to Buyer upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency are hereby acknowledged by Buyer and Seller, the parties hereto, each intending to be legally bound, do hereby covenant and agree as follows:

1. Recitals. All of the recitals set forth above are true and accurate and are incorporated herein by reference.

2. Definitions. In addition to other terms defined elsewhere in this Agreement, as used herein and in the Exhibits annexed hereto, the following terms shall have the following meanings, unless otherwise defined herein:

Access Agreement: As such term is defined in Section 5 hereof.

Affiliates: Collectively, all officers, directors, employees, partners, members, principals, parents, subsidiaries, agents and affiliates of a party hereto.

Agreement: This Agreement of Purchase and Sale and any written amendments or modifications hereof duly executed by all of the parties hereto.

Approval Deadline: As such term is defined in Section 5 hereof.

Building: As such term is defined in Section 3 hereof.

Business Day: Any day of the year in which commercial banks are not required or authorized to close in Los Angeles, California.

Buyer Documents: As such term is defined in Section 8(b) hereof.

Closing: As such term is defined in Section 8(a) hereof.

Closing Date: As such term is defined in Section 8(a) hereof.

Confidential Materials: Means: (i) any items that would disclose Seller's acquisition cost or profitability of the Premises, and any appraisals or market studies internally or externally prepared for Seller in connection with its acquisition or marketing of the Premises for sale or for any other purpose; (ii) except for any such items listed in Exhibit A attached hereto, any internally-prepared studies or assessments of any nature (including without limitation structural reports, physical inspection reports and environmental assessments), as opposed to such studies or assessments prepared by outside consultants; (iii) any reports, presentations, summaries and the like internally prepared for any of Seller's officers, boards, committees, members, attorneys, consultants, lenders, tenants, accountants, partners or investors; (iv) any proposals, letters of intent, draft contracts or the like prepared by or for other prospective purchasers of the Premises or any part thereof; (v) Seller's internal books and records, internal memoranda and communications, and proprietary or attorney-client privileged materials; and (vi) any information which is the subject of a confidentiality agreement between Seller and a third party.

Confidentiality Agreement: Means that certain Confidentiality Agreement dated June 23, 2014, between the Seller and Buyer.

Deposit: As such term is defined in Section 4(b) hereof.

Disclosed Conditions: As such term is defined in Section 6(c) hereof.

Due Diligence Materials: To the extent in Seller's or Seller's current property manager's possession, the items described in Exhibit A attached hereto, other than any Confidential Materials. For clarification, Tenant may have documents or information regarding the Premises that are not within the possession of Landlord or Landlord's property manager, and for purposes of this Agreement Landlord has no duty to investigate, request or obtain any such documents or information held by Tenant.

Effective Date: The date on which this Agreement is executed by both parties, as set forth in the introductory paragraph above.

Environmental Requirements: As such term is defined in Section 6(c) hereof.

Escrow: As such term is defined in Section 8(a) hereof.

Hazardous Materials: As such term is defined in Section 6(c) hereof.

Land: As such term is defined in Section 3 hereof.

Lease: As such term is defined in Recital A hereof.

Notices of Violation: Collectively, (i) that certain County of Los Angeles Department of Public Works Environmental Programs Division Underground Storage Tank Inspection Report addressed to Bank of the West, dated October 10, 2014, issued with respect to the Premises, and (ii) that certain County of Los Angeles Department of Public Works Environmental Programs Division Notice of Violation Order to Comply addressed to Bank of the West, dated October 10, 2014, issued with respect to the Premises.

Permitted Exceptions: As such term is defined in Section 9(b) hereof.

Personal Property: As such term is defined in Section 3 hereof.

Preliminary Report: As such term is defined in Section 9(a) hereof.

Premises: As such term is defined in Section 3 hereof.

Purchase Price: As such term is defined in Section 4(a) hereof.

Representatives: Collectively, the employees, agents, directors, officers, affiliates, partners, brokers or other representatives, including, without limitation, contractors, engineers, appraisers, attorneys, accountants, consultants, financial advisors, investors and lenders, of a party hereto.

Seller Documents: As such term is defined in Section 8(b) hereof.

Seller Liens: As such term is defined in Section 8(b) hereof.

Seller Undertakings: As such term is defined in Section 6(b) hereof.

Surviving Obligations: Collectively: (i) any obligations under this Agreement on the part of Buyer or Seller that are designated by their terms to survive the termination of this Agreement or the Closing hereunder; (ii) Buyer's obligations to deliver to Seller (without any charge therefor) copies of all studies and reports prepared by or for Buyer with respect to the Premises; (iii) those costs, expenses, and payments specifically stated herein to be the responsibility of Buyer or Seller, respectively, it being the intention of the parties that the parties shall nonetheless be and remain liable for their respective obligations under clauses (i) through (iii) above, notwithstanding the termination of this Agreement for any reason or the Closing hereunder.

Tenant: As such term is defined in Recital A hereof.

Tenant's Removable Personal Property: As such term is defined in Section 6(h) hereof.

Title Company: As such term is defined in Section 8(a).

Title Policy: As such term is defined in Section 9(a) hereof.

3. Sale and Purchase of Premises. Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, at the price and upon the terms, provisions and conditions set forth in this Agreement, all right, title and interest of Seller in and to those certain plots, pieces and parcels of land located in the County of Los Angeles, State of California, as more particularly described in Exhibit B attached hereto and made a part hereof (the "**Land**"), together with all right, title and interest of Seller in and to (i) all buildings and other permanent improvements situated on the Land (collectively, the "**Building**"), (ii) all easements, rights of way, reservations, privileges, appurtenances, and other estates pertaining or appurtenant to the Land and the Building, (iii) all fixtures, machinery, underground storage tanks (together with any fuel contained within such tanks), generators and batteries, any built-in vaults, any back-up power systems and infrastructure, data center equipment and infrastructure, all systems dealing

with security, access, control, fire alarm, fire suppression, fire life safety, fencing and parking control, equipment, supplies and other articles of personal property that remain in, on or under the Land or the Building following Tenant's vacating of the Premises and the removal of Tenant's Removable Personal Property pursuant to Section 6(h) below (collectively, the "**Personal Property**") (without any express or implied representation that all of the Personal Property described above exists or that Seller holds any such interest in the Personal Property or any portion thereof), (iv) all oil, gas and mineral rights of Seller, if any, in and to the Land, (v) all strips and gores, all alleys adjoining the Land to the center line thereof, and (vi) any award or payment in lieu of such award (subject to any rights of Tenant under the Lease) for any taking by condemnation or for any damage to the Land or the Building by reason of a change of grade of any street, road or avenue (the Land, the Building, the Personal Property and all other items described in clauses (i) - (vi) above being hereinafter sometimes collectively referred to as the "**Premises**"). Notwithstanding the above, however, the "Premises" shall expressly exclude: (a) any insurance policies or insurance contracts owned or held by Seller or its affiliates in connection with the Premises, and any claims against third parties of any nature held by Seller or its affiliates arising prior to the Closing; (b) any deposits, cash and other accounts owned or held by Seller or its affiliates in connection with the Premises; (c) the existing Lease, and the existing property management contract in connection with the Premises; (d) any website maintained by Seller or its affiliates or the property manager in connection with the Premises; (e) any trade name, service name, service mark or other proprietary or intellectual property belonging to Seller or its affiliates or the property manager; (f) any computers, computer operating systems, and computer software programs utilized by Seller or its property manager in connection with the Premises; (g) any intranet router and switch located at the Premises, if any; and (h) any rights under any service contracts or leases entered into by Seller or any of its affiliates, unless assumed by Buyer at the Closing pursuant to this Agreement.

4. Purchase Price; Deposit.

(a) Purchase Price. The purchase price for the Premises is Thirty-Eight Million Four Hundred Fifty-Two Thousand Four Hundred Thirty-Six and 00/100 Dollars ($38,452,436.00) ("**Purchase Price**").

(b) Deposit. Buyer shall deliver to the Title Company (as defined herein) within seven (7) Business Days after the Effective Date, by wire transfer in accordance with wire transfer instructions provided by the Title Company, the amount of Seven Hundred Fifty Thousand and 00/100 Dollars ($750,000.00 (which amount, together with all interest accrued thereon, is herein called the "**Deposit**"). The Deposit shall be invested by the Title Company in an interest bearing account as Buyer shall direct. Seller shall have the option of terminating this Agreement if the full amount of Deposit is not timely delivered to the Title Company as prescribed in this Section 4(b). If the sale of the Premises is consummated under this Agreement, the Deposit shall be paid to Seller and applied to the payment of the Purchase Price at Closing.

5. Access Agreement; Due Diligence Period. Buyer and Seller previously entered into that certain Access Agreement dated September 30, 2014, as supplemented by certain e-mails on October 6, 2014 regarding a permitted follow-up site visit on October 7, 2014 (collectively, the "**Access Agreement**"), pursuant to which Buyer was given access to the Premises to conduct physical inspections including without limitation underground testing. Should Buyer require any further access to Premises for further inspections (other than underground testing) prior to the Approval Deadline, Buyer and Seller agree to work in good faith to extend the term of the Access Agreement to accommodate the same (and Buyer's right

to further access the Premises shall be solely pursuant to the Access Agreement, as so extended and/or modified). Buyer shall promptly provide Seller (at no charge) with copies of any third-party reports with respect to the Premises obtained pursuant to the Access Agreement or this Agreement (collectively, the "**Buyer Reports**"), provided that, delivery of the Buyer Reports to Seller shall in no way be deemed to be a representation or warranty by Buyer to Seller as to any matter whatsoever and Buyer shall have no liability of any kind or nature whatsoever to Seller for any inaccuracy contained in such reports or any omission of information. Further, Buyer acknowledges that Seller has delivered to Buyer the Due Diligence Materials prior to the execution hereof. Buyer shall have until December 15, 2014 (the "**Approval Deadline**") to complete its review of the Due Diligence Materials, the results of Buyer's physical inspections of the Premises and any other due diligence matters deemed necessary by Buyer, and to notify Seller, in writing, either (i) that Buyer has completed and approved its diligence investigations and elects to proceed with the Closing or (ii) that Buyer has disapproved its diligence investigations and elects to terminate this Agreement. If Buyer fails to give Seller either of the elections required by the previous sentence on or before the Approval Deadline, then Buyer shall be deemed to have made the election to terminate under clause (ii) above. If Buyer makes the election to proceed under clause (i) above, then Buyer shall be deemed to have approved all due diligence matters with respect to the Premises, and shall have no further right to terminate this Agreement or to receive a refund of the Deposit, except pursuant to an express right under this Agreement. If Buyer makes (or is deemed to make) the election to terminate under clause (ii) above, then Title Company will return the Deposit to Buyer, and Buyer and Seller will have no further rights and obligations under this Agreement except the Surviving Obligations. Time is of the essence with respect to the Approval Deadline and Buyer's election as required above. If Buyer terminates this Agreement under this Section 5, Buyer will deliver to Seller (without any charge therefor) copies of all studies and reports prepared by or for Buyer with respect to the Premises (which obligation shall survive the termination of this Agreement). Notwithstanding the above, if after the Approval Deadline, Buyer desires periodic access to the Premises for purposes of allowing Buyer to commence plan development for its renovation of the Premises upon the Closing (but NOT for any further physical/environmental inspections), Buyer and Seller agree to work in good faith to extend the term of the Access Agreement to accommodate the same (and Buyer's right to further access the Premises shall be solely pursuant to the Access Agreement, as so extended and/or modified). Buyer acknowledges that any extension of the Access Agreement pursuant to this Section shall be subject to the terms of the Lease and that additional reasonable conditions may be placed on Buyer's entry, including without limitation reimbursement of any additional security costs or other costs incurred by Seller or Tenant.

6. As-Is/Where-Is.

(a) As of the Approval Deadline (unless Buyer has terminated this Agreement pursuant to Section 5 above), Buyer acknowledges that Buyer has completed its Due Diligence activities to inspect the Premises and become fully familiar with the physical condition, state of repair and all other physical, operational and other aspects of the Premises and has determined and/or confirmed to Buyer's own satisfaction all aspects of the status and condition of the Premises.

(b) BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AND SOLELY TO THE EXTENT OF ANY WARRANTY OF TITLE SET FORTH IN THE DEED (AS DEFINED BELOW) AND THE EXPRESS REPRESENTATIONS AND WARRANTIES OF SELLER CONTAINED IN SECTION 10(b) BELOW, AS THEY MAY BE LIMITED PURSUANT

TO THE TERMS OF SECTION 10(f) AND OTHER PROVISIONS OF THIS AGREEMENT (COLLECTIVELY, THE "**SELLER UNDERTAKINGS**"):

(i) SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PREMISES, INCLUDING THE WATER, SOIL AND GEOLOGY, (B) THE INCOME TO BE DERIVED FROM THE PREMISES, (C) THE SUITABILITY OF THE PREMISES FOR ANY AND ALL ACTIVITIES AND USES THAT BUYER OR ANY TENANT MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PREMISES OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PREMISES, (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PREMISES, (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PREMISES, OR (H) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING THE EXISTENCE IN OR ON THE PREMISES OF HAZARDOUS MATERIALS (AS DEFINED BELOW) OR (I) ANY OTHER MATTER WITH RESPECT TO THE PREMISES.

(ii) NO PERSON ACTING ON BEHALF OF SELLER, INCLUDING ANY REAL ESTATE BROKER, PREMISES MANAGER, CONTRACTOR, AGENT, COUNSEL, EMPLOYEE, SERVANT OR OTHER PERSON, IS AUTHORIZED TO MAKE, AND NO PERSON HAS MADE, ANY REPRESENTATION, AGREEMENT, STATEMENT, WARRANTY, GUARANTY OR PROMISE REGARDING THE PREMISES OR THE TRANSACTION CONTEMPLATED HEREIN; AND NO SUCH REPRESENTATION, WARRANTY, AGREEMENT, GUARANTY, STATEMENT OR PROMISE IF ANY, MADE BY ANY PERSON ACTING ON BEHALF OF SELLER SHALL BE VALID OR BINDING UPON SELLER.

(iii) BUYER AGREES TO ACCEPT THE PREMISES AT THE CLOSING AND WAIVE ALL OBJECTIONS OR CLAIMS AGAINST SELLER (INCLUDING, BUT NOT LIMITED TO, ANY RIGHT OR CLAIM OF CONTRIBUTION) ARISING FROM OR RELATED TO THE PREMISES OR TO ANY HAZARDOUS MATERIALS ON THE PREMISES.

(iv) INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER TO BUYER WITH RESPECT TO THE PREMISES WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY, TRUTHFULNESS OR COMPLETENESS OF SUCH INFORMATION.

(v) TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PREMISES AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS", "WHERE IS" CONDITION AND BASIS WITH ALL FAULTS.

(vi) IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT ALL OF THE

PREMISES IS SOLD BY SELLER AND PURCHASED BY BUYER SUBJECT TO THE FOREGOING.

(c) "**Hazardous Materials**" means any substance that is or contains: (i) any "hazardous substance" as now or hereafter defined in §101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §9601 et seq.) ("**CERCLA**") or any regulations promulgated under CERCLA; (ii) any "hazardous waste" as now or hereafter defined in the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.) ("**RCRA**") or regulations promulgated under RCRA; (iii) any substance regulated by the Toxic Substances Control Act (15 U.S.C. §2601 et seq.); (iv) gasoline, diesel fuel, or other petroleum hydrocarbons; (v) asbestos and asbestos containing materials, in any form, whether friable or non-friable; (vi) polychlorinated biphenyls; (vii) radon gas; and (viii) any additional substances or materials that are now or hereafter classified or considered to be hazardous or toxic under Environmental Requirements (as defined below) or the common law, or any other applicable laws relating to the Premises. Hazardous Materials shall include any substance, the presence of which on the Premises, (A) requires reporting, investigation or remediation under Environmental Requirements; (B) causes or threatens to cause a nuisance on the Premises or adjacent property or poses or threatens to pose a hazard to the health or safety of persons on the Premises or adjacent property; or (C) which, if it emanated or migrated from the Premises, could constitute a trespass. Seller has disclosed to Buyer the existence of certain underground storage tanks (and the issuance of the Notices of Violation with respect thereto), asbestos-containing materials, lead-based paint and generator batteries in, on or under the Building and Premises (collectively, the "**Disclosed Conditions**"), which for all purposes of this Agreement shall be included within the definition of "Hazardous Materials." "**Environmental Requirements**" means all laws, ordinances, statutes, codes, rules, regulations, agreements, judgments, orders, and decrees, now or hereafter enacted, promulgated, or amended, of the United States, the states, the counties, the cities, or any other political subdivisions in which the Premises is located, and any other political subdivision, agency or instrumentality exercising jurisdiction over the owner of the Premises, the Premises, or the use of the Premises, relating to pollution, the protection or regulation of human health, natural resources, or the environment, or the emission, discharge, release or threatened release of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or waste or Hazardous Materials into the environment (including ambient air, surface water, ground water, land or soil).

(d) EXCEPT AND SOLELY TO THE EXTENT OF THE SELLER UNDERTAKINGS:

(i) UPON CLOSING, BUYER ASSUMES (A) THE RISK OF ADVERSE MATTERS, INCLUDING ADVERSE PHYSICAL CONDITIONS, DEFECTS, CONSTRUCTION DEFECTS, ENVIRONMENTAL, HEALTH, SAFETY AND WELFARE MATTERS THAT MAY NOT HAVE BEEN REVEALED BY BUYER'S INSPECTIONS, (B) THE RISK OF CHANGES IN THE ENVIRONMENTAL REQUIREMENTS OR OTHER APPLICABLE LAWS AND REGULATIONS RELATING TO PAST, PRESENT AND FUTURE ENVIRONMENTAL CONDITIONS, (C) THE RISK THAT ADVERSE PHYSICAL CHARACTERISTICS AND CONDITIONS, INCLUDING THE PRESENCE OF HAZARDOUS MATERIALS OR OTHER CONTAMINANTS, MAY NOT HAVE BEEN REVEALED BY ITS INVESTIGATION, AND (D) ALL RISKS ASSOCIATED WITH THE DISCLOSED CONDITIONS.

(ii) UPON CLOSING, BUYER, FOR ITSELF AND ITS AGENTS, AFFILIATES, SUCCESSORS AND ASSIGNS, WAIVES, RELEASES AND FOREVER

DISCHARGES SELLER AND SELLER'S AGENTS, MEMBERS, EMPLOYEES, DIRECTORS, OFFICERS, AFFILIATES, INTEREST HOLDERS, PREMISES MANAGERS, AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "**RELEASEES**") FROM ANY AND ALL RIGHTS, CLAIMS, OBJECTIONS, COMPLAINTS AND DEMANDS, AT LAW OR IN EQUITY, WHETHER KNOWN OR UNKNOWN AS OF THE CLOSING DATE, AND WHETHER ARISING BEFORE OR AFTER THE CLOSING DATE, THAT BUYER HAS NOW OR MAY HAVE IN THE FUTURE, ARISING OUT OF THE PHYSICAL, ENVIRONMENTAL, ECONOMIC, LEGAL OR OTHER CONDITION OF THE PREMISES, INCLUDING (i) THE DISCLOSED CONDITIONS, (ii) ALL CLAIMS IN TORT OR CONTRACT AND ANY CLAIM FOR INDEMNIFICATION OR CONTRIBUTION ARISING UNDER CERCLA, RCRA, OR ANY SIMILAR FEDERAL, STATE OR LOCAL STATUTE, RULE OR REGULATION, and (iii) ALL OTHER TITLE OR DUE DILIGENCE MATTERS DESCRIBED ABOVE IN THIS SECTION 6 OR ANY OTHER PROVISIONS OF THIS AGREEMENT.

(e) WITH RESPECT TO THE RELEASES AND WAIVERS SET FORTH IN THIS SECTION 6. BUYER EXPRESSLY WAIVES THE BENEFITS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

(f) BUYER HAS BEEN ADVISED BY ITS LEGAL COUNSEL AND UNDERSTANDS THE SIGNIFICANCE OF THIS WAIVER OF SECTION 1542 RELATING TO UNKNOWN, UNSUSPECTED AND CONCEALED CLAIMS. BY ITS INITIALS BELOW, BUYER ACKNOWLEDGES THAT IT FULLY UNDERSTANDS, APPRECIATES AND ACCEPTS ALL OF THE TERMS OF THIS SECTION 6.

BUYER'S INITIALS: _____

(g) It is acknowledged that California law requires building owners to disclose the energy performance of certain non-residential buildings to a prospective buyer prior to the execution of a sales contract (see Section 25402.10 of the California Public Resources Code and related laws and regulations, collectively, as amended from time to time, "**Energy Disclosure Requirements**"). Buyer hereby acknowledges receipt of the documents required to delivered by Seller in order to comply with the Energy Disclosure Requirements applicable to the Building, including the Disclosure Summary Sheet, the Statement of Energy Performance, the Data Checklist and the Facility Summary as referenced in Section 1681 of Title 20, Division 2, Chapter 4, Article 9 of the California Code of Regulations (collectively, the "**Energy Performance Disclosure Information**"). Buyer acknowledges and agrees that the Energy Performance Disclosure Information is provided for the sole purpose of complying with the Energy Disclosure Requirements and shall not be deemed or construed as a representation or warranty under this Agreement, and may not be relied upon as a representation of current or future energy use at the Building. Buyer acknowledges that the energy profile of the Building will vary depending on future occupancy/use of the Building. Buyer further covenants and agrees to take all necessary action to comply with applicable Energy Disclosure Requirements from and after the Closing and hereby assumes all future obligations with respect thereto.

(h) The parties acknowledge that Tenant is obligated pursuant to Section 27.1 and other applicable provisions of the Lease to remove from the Premises, upon expiration of the term of the Lease, Tenant's signs, inventory and removable machinery, equipment, furniture, furnishings and other personal property installed by Tenant, but excluding all items (whether or not included within the above categories of items) that constitute, or are used or procured for use in connection with the operation, maintenance or protection of, the "base building elements" (which "base building elements" include, but are not limited to, "the Building's generator, underground storage tanks at the Premises, carpet, elevators, fire extinguishers, health safety, fire and security systems and fixtures, heating, ventilating, air conditioning, plumbing, electrical and lighting systems and fixtures," all of which are deemed "base building elements" under the terms of the Lease and are not required to be removed by Tenant) (the items of personal property that Tenant is so required to remove from the Building upon expiration of the Lease term pursuant to the terms of the Lease are referred to herein as "**Tenant's Removable Personal Property**"). Prior to the end of the Approval Period, Seller will attempt to clarify with Tenant which items constitute Tenant's Removable Personal Property and share any such available information with Buyer (but the Approval Deadline will not be extended in any event). Seller will use commercially reasonable efforts (not including litigation or eviction) to cause Tenant to remove Tenant's Removable Personal Property prior to the Closing hereunder, but such removal shall not constitute a Buyer's condition to proceed with Closing. Instead, if Tenant (or Seller) has not removed Tenant's Removable Personal Property by the tenth (10th) day prior to the scheduled Closing Date (as verified in a mutual walk-through by Seller and Buyer), (i) Seller and Buyer shall mutually reasonably agree upon an estimated cost to remove the remaining Tenant's Removable Personal Property, (ii) Buyer shall proceed with the Closing and shall be solely responsible for removing all remaining Tenant's Removable Personal Property at its own cost, (iii) Buyer shall receive at the Closing a credit towards the Purchase Price in the amount of such estimated cost up to, but not exceeding, One Hundred Twenty-Five Thousand and 00/100 Dollars ($125,000.00), and (iv) Buyer shall be responsible for any portion of the actual removal cost that exceeds its $125,000 credit described in clause (iii) above.

(i) The parties acknowledge that the Notices of Violation have been issued with respect to an underground storage tank(s) at the Premises. Seller will use commercially reasonable efforts (not including litigation or eviction) to cause Tenant to take such corrective actions as may be required to cause the final clearance of the Notices of Violation prior to the Closing hereunder, but such clearance shall not constitute a Buyer's condition to proceed with Closing. Instead, if the Notices of Violation have not been cleared by the tenth (10th) day prior to the scheduled Closing Date, (i) Seller and Buyer shall mutually reasonably agree upon an estimated cost to clear the Notices of Violation, (ii) Buyer shall proceed with the Closing and shall be solely responsibility to cause the Notices of Violation to be cleared at its own cost, (iii) Buyer shall receive at the Closing a credit towards the Purchase Price in the amount of such estimated cost up to, but not exceeding, Twenty Thousand and 00/100 Dollars ($20,000.00), and (iv) Buyer shall be responsible for any portion of the actual cost that exceeds its $20,000 credit described in clause (iii) above.

(j) The representations, warranties, releases and discharges of Seller and Buyer in this Section 6 shall be deemed remade as of the Closing. This Section 6 shall survive the Closing or termination of this Agreement and shall not be merged into the closing documents delivered pursuant to this Agreement.

7. Prorations and Apportionments.

(a) Except as otherwise set forth below, the following shall be prorated and apportioned between Seller and Buyer as of midnight of the day preceding the Closing Date:

(i) Taxes payable by Seller relating to operations of the Premises which are not paid directly by Tenant, including without limitation, business and occupancy taxes and sales taxes, if any;

(ii) All real estate taxes and assessments on the Premises payable in respect to the current fiscal year of the applicable taxing authority in which the Closing Date occurs (the "**Current Tax Year**"). Such real estate taxes and assessments shall be prorated on a per diem basis based upon the number of days in the Current Tax Year prior to the Closing Date (which shall be allocated to Seller) and the number of days in the Current Tax Year on and after the Closing Date (which shall be allocated to Buyer). Seller shall be responsible for all real estate taxes and assessments on the Premises payable in respect to periods prior to the Current Tax Year. Upon the Closing Date and subject to the adjustment provided for above, Buyer shall be responsible for all unpaid real estate taxes and assessments on the Premises payable in respect to the Current Tax Year, including any escape assessments occasioned by the sale contemplated by this Agreement, and all periods after the Current Tax Year; and

(iii) Such other items as are customarily apportioned between sellers and Buyers of real property and improvements located in Los Angeles County, California.

(b) Seller shall deliver to Buyer and Title Company a schedule of prorations not later than five (5) Business Days prior to the Closing. Buyer shall approve the same not later than two (2) Business Days prior to the Closing. Non-disputed items shall be prorated at the Closing. Any disputes as to prorations shall not delay the Closing. All disputes concerning prorations shall be resolved outside of escrow, and if not resolved by the parties within two (2) months after the Closing shall, at the election of either party, be resolved by arbitration in accordance with the rules then prevailing of the American Arbitration Association. All prorations shall be made in accordance with customary practice in Los Angeles County, California. Such prorations, if and to the extent known and agreed upon as of the Closing, shall be paid by Buyer to Seller (if the prorations result in a net credit to the Seller) or by Seller to Buyer (if the prorations result in a net credit to the Buyer) by increasing or reducing the cash to be paid by Buyer at the Closing.

(c) At Closing, Buyer's account shall be credited with an amount equal to One Hundred Seventy Five Thousand Dollars ($175,000), which credit either (i) may be applied towards the Purchase Price payable at Closing (i.e., so as to reduce the “net” funds owing by Buyer at Closing), or (ii) if not so applied to the Purchase Price, shall be wire-transferred back to Buyer at Closing (in accordance with wiring instructions to be provided by Buyer prior to Closing).

8. Closing.

(a) Closing Date and Place. The closing hereunder (the "**Closing**") shall be conducted through an escrow (the “**Escrow**”) with Fidelity National Title Insurance Company acting as both escrow agent and title agent, and whose contact information is set forth below (“**Title Company**”). Provided that Buyer has not terminated this Agreement pursuant to Section 5 above, the Closing shall occur on or before 2:00 p.m. Pacific Daylight Savings Time on the

Closing Date (as defined below). The "**Closing Date**" shall mean the date that is ten (10) Business Days after Seller notifies Buyer that Tenant has vacated the Premises under the Lease, provided, however, that the Closing Date shall in no event be earlier than July 1, 2015 nor later than September 15, 2015. If and only if Tenant does not vacate the Premises in time to permit the Closing Date to occur by September 15, 2015, either Seller or Buyer may, by written notice to the other given on or before September 15, 2015, elect to extend the September 15, 2015 deadline until November 15, 2015. If for any reason Tenant does not vacate the Premises in time to permit the Closing Date to occur by September 15, 2015 (or by November 15, 2015 if such deadline is extended as provided above), then either Buyer or Seller may exercise its rights with respect to a failure of closing condition pursuant to Section 8(f) or Section 8(g) below, respectively. Time is of the essence with respect to each of the dates specified above. Seller makes no assurance, representation or warranty that Tenant will in fact vacate the Premises by any particular date or at all. Further: (A) pursuant to Section 6(h), Seller and Buyer shall conduct a walk-through by the tenth (10) day prior to the scheduled Closing Date to verify that Tenant or Seller has removed the Removable Tenant's Personal Property, and shall take such other actions that are required under Section 6(h) if the Removable Tenant's Personal Property has not been removed; and (B) pursuant to Section 6(i), Seller and Buyer shall mutually verify by the tenth (10) day prior to the scheduled Closing Date whether or not the Notices of Violation have been cleared, and shall take such other actions that are required under Section 6(i) if the Notices of Violation have not been cleared. All funds necessary to consummate the Closing (the "**Funds**") shall be deposited by Buyer into Escrow no later than 2:00 p.m. on the Closing Date. If the Funds are deposited after 2:00 p.m. on the Closing Date, all pro-rations will be recalculated through the next Business Day. The Title Company is located at: Fidelity National Title Insurance Company, 1300 Dove Street, Suite 310, Newport Beach, California 92660, and the primary contact persons are (i) Paul McDonald, 949-221-4715, paul.mcdonald@fnf.com, and (ii) Shari Stewart, 949-221-4708, shari.stewart@fnf.com.

(b) Seller's Documents. At or before the Closing (except as otherwise set forth herein), Seller shall execute, acknowledge and/or deliver, as applicable, the following items into Escrow (collectively, the "**Seller's Documents**"):

(i) A grant deed (the "**Deed**") in the form of Exhibit D attached hereto and made a part hereof in recordable form;

(ii) A Bill of Sale in the form of Exhibit E attached hereto and made a part hereof ("**Bill of Sale**");

(iii) Releases (or release bonds, if applicable) of existing mortgage liens, mechanics liens or other monetary liens created or assumed by Seller (collectively, "**Seller Liens**") against the Premises, if any, satisfactory to Buyer and Title Company;

(iv) A Natural Hazard Disclosure Statement in accordance with California Civil Code Section 1102;

(v) A copy of an incumbency certificate for Seller evidencing the authority of the party executing this Agreement and the other Seller Documents on behalf of Seller;

(vi) Keys to all entrance doors to, and equipment and utility rooms located in, the Premises;

(vii) A "FIRPTA" affidavit attesting to facts pertaining to Seller's name, address, tax identification number, and California FTB Form 597-W;

(viii) A closing statement prepared by Title Company and signed or initialed by Seller (the "**Closing Statement**") reflecting all credits, prorations, apportionments and adjustments contemplated hereunder; and

(ix) All other documents Seller is required to deliver pursuant to the provisions of this Agreement to consummate the transactions contemplated hereunder.

(c) Purchase Price; Prorations and Expenses. Prior to Closing, Buyer shall deliver into Escrow the balance of the Purchase Price (i.e., less the Deposit) in accordance with Section 4 hereof, plus Buyer's share of any prorations and expenses as provided herein. Seller's share of prorations and expenses may be paid from Seller's proceeds at Closing.

(d) Buyer's Documents. At or before Closing, Buyer shall execute, acknowledge and/or deliver, as applicable, the following items to Seller (collectively, the "**Buyer's Documents**"):

(i) the Closing Statement; and

(ii) all other documents Buyer is required to deliver pursuant to the provisions of this Agreement to consummate the transactions contemplated hereunder.

(e) Closing Expenses. At Closing, Seller shall pay all documentary stamp/transfer taxes required to be paid as to the Deed, recording fees, all costs regarding the satisfaction and discharge of any Seller Liens, the brokerage commissions due Broker in accordance with Section 24 herein, one half of the escrow fees and the cost of a standard coverage Title Policy without endorsements (defined below). Buyer shall pay all costs of obtaining any extended coverage desired by Buyer with respect to the Title Policy, including any endorsements required by Buyer, any Survey (as defined below) ordered by Buyer, and one half of the escrow fees. Each party shall be responsible for its own attorney fees (if any). Any closing expenses not specified herein shall be paid as customary in Los Angeles County.

(f) Buyer's Conditions Precedent to Closing. Buyer's obligation to close hereunder is subject to the satisfaction of the following conditions (the "**Buyer Conditions Precedent**"):

(i) The due performance by Seller of each and every undertaking and agreement to be performed by it hereunder in all material respects, and the truth of each representation and warranty made by Seller in this Agreement in all material respects at the time as of which the same is made and as of the Closing Date as if made on and as of the Closing Date (provided, however, that any New Matters disclosed by Seller to Buyer in accordance with Section 10(e) shall be governed by the provisions of Section 10(e) and shall not constitute a breach of representation or warranty by Seller for purposes of this Section 8(f) or otherwise).

(ii) That at no time on or before the Closing Date shall have occurred a bankruptcy or any other event of dissolution with respect to Seller or any managing member of Seller.

(iii) Seller shall have delivered Seller's Documents into Escrow.

(iv) That the Lease shall have terminated and that Tenant shall have vacated the Premises.

(v) The Title Company shall unconditionally commit to Buyer at Closing to issue the Owner's Policy to Buyer pursuant to Section 9(d) herein.

In the event that any of the Buyer Conditions Precedent are not satisfied as of the Closing Date (a) Buyer may waive such contingency by giving written notice thereof to Title Company and proceed with the Closing, or (b) in the absence of such waiver, this Agreement and the obligations of the parties hereunder shall terminate (other than the Surviving Obligations) and Title Company shall return the Deposit to Buyer; provided, however, that notwithstanding the foregoing, if the failure of condition is the result of a default by Seller or Buyer of their respective obligations under this Agreement, the disposition of the Deposit and the parties' respective rights and remedies shall be governed by Sections 11 and 12 below.

(g) Seller's Conditions Precedent to Closing. Seller's obligation to close hereunder is subject to the satisfaction of the following conditions (the "**Seller Conditions Precedent**"):

(i) The due performance by Buyer of each and every undertaking and agreement to be performed by it hereunder in all material respects, and the truth of each representation and warranty made by Buyer in this Agreement in all material respects at the time as of which the same is made and as of the Closing Date as if made on and as of the Closing Date.

(ii) That at no time on or before the Closing Date shall have occurred a bankruptcy or any other event of dissolution with respect to Buyer.

(iii) Buyer shall have delivered the Purchase Price and Buyer's Documents into Escrow.

(iv) That the Lease shall have terminated and that Tenant shall have vacated the Premises.

In the event that any of the Seller Conditions Precedent are not satisfied as of the Closing Date (a) Seller may waive such contingency by giving written notice thereof to Title Company and proceed with the Closing, or (b) in the absence of such waiver, this Agreement and the obligations of the parties hereunder shall terminate (other than the Surviving Obligations) and Title Company shall return the Deposit to Buyer; provided, however, that notwithstanding the foregoing, if the failure of condition is the result of a default by Seller or Buyer of their respective obligations under this Agreement, the disposition of the Deposit and the parties' respective rights and remedies shall be governed by Sections 11 and 12 below.

(h) Title Company Actions at Closing. At Closing, upon Title Company's receipt of (i) the Purchase Price and applicable prorations and expenses, (ii) the Buyer Documents and the Seller Documents, (iii) the final Closing Statement approved and signed by Buyer and Seller, and (iv) final authorization from each of Seller and Buyer to proceed with Closing, Seller and Buyer hereby instruct Title Company to:

(i) Wire transfer to Seller (in accordance with wiring instructions to be provided by Seller prior to Closing) in good funds the Purchase Price, together with all other amounts required to be paid by Buyer to Seller pursuant to this Agreement and the approved Closing Statement (net of any amounts required to be paid by Seller to Buyer pursuant to this Agreement and the approved Closing Statement).

(ii) Record the Deed, and deliver to the County Assessor any off-record transfer tax declaration and/or change of ownership statement that may be required by law.

(iii) Issue the Title Policy (or an irrevocable commitment therefor) to Buyer.

(iv) Deliver to Seller: (i) copies of all documents recorded at Closing by Title Company; (ii) at least one (1) fully executed original of the Bill of Sale; and (iii) a certified copy of the approved Closing Statement; and

(v) Deliver to Buyer: (i) copies of all documents recorded at Closing by Title Company; (ii) at least one (1) fully executed original of the Bill of Sale; (iii) a certified copy of the approved Closing Statement; and (iv) copies of the "FIRPTA" and California FTB Form 597-W.

(i) **Operation of the Premises Prior to the Closing Date**. Between the Effective Date and the Closing Date, Seller may continue to operate and maintain the Premises in the usual and ordinary course of business consistent with past practices (although Seller shall not enter into any new leases or extensions of the Lease). In connection therewith, Seller shall keep in full force and effect all of the existing insurance policies maintained by Seller respecting the Premises or policies providing similar coverage to the existing insurance policies.

9. **Condition of Title**.

(a) Seller has previously delivered to Buyer for Buyer's review and approval as set forth below, a preliminary title report (the "**Preliminary Report**") covering the Premises and issued by Fidelity National Title Company (the "**Title Company**"), together with legible copies of the documents referenced therein (or a hyperlinked version of the Preliminary Report with links to such documents). No later than the earlier of (i) twenty (20) days after the Effective Date or (ii) the Approval Date (the "**Title Review Period**"), Buyer shall have reviewed and approved the Preliminary Report and any new or updated ALTA survey desired by Buyer pursuant to Section 9(b) below. Seller agrees that it shall discharge (or provide Title Company with such assurances as it may require to delete the Seller's Liens as exceptions on the Title Policy), prior to Closing, all Seller Liens. The cost of a standard coverage CLTA Owner's Policy of Title Insurance without endorsements (the "**Title Policy**") shall be paid by Seller, and any excess costs for extended coverage and any endorsements required by Buyer shall be paid by Buyer in accordance with Section 9(d) below.

(b) If the Preliminary Report or any update thereto, or any survey or update thereto, shall disclose the existence of any liens, encumbrances or other defects or exceptions other than pre-printed standard exceptions (collectively, the "**Title Matters**"), then Buyer shall give Seller written notice of its disapproval (i) as to matters disclosed in the Preliminary Report, by the end of the Title Review Period, and (ii) as to matters disclosed in any such update to the Preliminary Report, within five (5) Business Days after Buyer's receipt of such update (each, a

"**Buyer's Title Notice**"), specifying any Title Matters which Buyer finds objectionable (each, an "**Objection**"), if any. Any and all matters affecting title to or the use of the Premises (including without limitation all taxes, assessments, easements, restrictions, covenants, conditions, encumbrances, encroachments, boundary matters and zoning and other regulatory laws and ordinances) which Buyer does not list as an Objection in a timely delivered Buyer's Title Notice shall be deemed to be "**Permitted Exceptions**." Seller shall notify Buyer within ten (10) Business Days after receipt of Buyer's Title Notice (but in no event later than one (1) Business Day prior to the Closing Date) whether or not Seller will attempt to cure the applicable Objections (which may include arranging for title insurance insuring against enforcement of such Objections against, or collection of same out of the Premises) (a "**Seller Election**"). If the Seller Election is an election not to attempt to cure, Buyer shall have only the right (x) to terminate this Agreement by giving written notice (the "**Termination Notice**") thereof to Seller and Title Company either within five (5) Business Days after receiving the Seller Election, and upon such termination, Title Company shall return the Deposit to Buyer and neither party hereto thereafter having any further rights or obligations hereunder, except for the Surviving Obligations, or (y) to waive the Objections and consummate the purchase of the Premises subject to the Objections which shall be deemed to be Permitted Exceptions; provided, however, Buyer shall be deemed to have waived any Objections in the event Buyer does not deliver the Written Notice to Seller within five (5) Business Days of Buyer receiving the Seller Election. Should Seller make a Seller Election to attempt to cure, but for any reason Seller is unsuccessful in completing same, Buyer as its sole remedy therefor may elect to terminate this Agreement or to waive the Objections and proceed to close under the provisions as stated herein. In the event that Buyer exercises its termination right pursuant to the foregoing sentence, Title Company shall return the Deposit to Buyer, and this Agreement and the obligations of the parties hereunder shall terminate (other than the Surviving Obligations).

(c) Prior to the Approval Date, Buyer may update the survey, if any, of the Premises (the "**Survey**") it receives from Seller as part of the Due Diligence Materials. The cost of any update shall be borne by Buyer. Buyer shall notify Seller, prior to the Approval Date in accordance with Section 9(a) above, as to matters disclosed on the Survey that Buyer finds objectionable, and such objections shall be deemed Objections and dealt with as such in accordance with the provisions of Section 9(b) above. It shall be Buyer's responsibility to provide the Title Company and Seller with a copy of the Survey and any other certifications, affidavits or instruments which the Title Company may request or require to issue Buyer's required title insurance. Notwithstanding the foregoing, if Seller has commenced curing the Objections and is diligently prosecuting the same, then Buyer, upon written request by Seller shall extend the cure period for such time as may be required for Seller to cure the same. Notwithstanding the foregoing, if requested by Title Company and/or Buyer, Seller shall execute and deliver to the Title Company an "owner's lien declaration" in a form reasonably acceptable to Title Company and Seller containing appropriate disclosures regarding any work at the Premises by Seller (if any) and (limited to Seller's actual knowledge) any work at the Premises by Tenant, in order for the Title Company to provide Buyer the Title Policy with coverage free from any exception regarding mechanic's liens.

(d) A condition precedent to Buyer's obligation to purchase the Premises shall be the willingness of Title Company to issue to Buyer on the Closing Date a CLTA Owner's Policy of Title Insurance ("**Owner's Policy**"), or equivalent form acceptable to Buyer, in the face amount of the Purchase Price and dated as of the date the Deed is recorded, indicating title to the Premises to be vested of record in Buyer, subject solely to the Permitted Exceptions, and containing endorsements and additional coverages as reasonable requested by Buyer; provided, however, that Buyer shall be required to obtain (and provide a copy to Seller of) a

binding commitment from Title Company to issue the Owner's Policy in the form desired by Buyer within the applicable Title Review Period described in Section 9(a) above.

10. Representations, Warranties, Covenants and Acknowledgments.

(a) Due Diligence Materials. Except as expressly set forth herein, Seller's delivery of the Due Diligence Materials to Buyer shall in no way be deemed to be a representation or warranty by Seller to Buyer as to any matter whatsoever and Seller shall have no liability of any kind or nature whatsoever to Buyer for any inaccuracy contained in the Due Diligence Materials, any omission of information or any damage to Buyer which may result from Buyer's reliance upon the contents of the Due Diligence Materials.

(b) Seller Representations and Warranties. Seller represents and warrants to Buyer as follows:

(i) Seller is a duly formed and validly existing limited liability company organized under the laws of the State of Delaware.

(ii) Seller has the full legal right, power and authority to execute and deliver this Agreement and all of Seller's Documents, to consummate the transactions contemplated hereby, and to perform its obligations hereunder and under all of Seller's Documents. Other than those which have already been obtained by Seller, no consents are required from any mortgagee, tenant or other third party in connection with the sale of the Premises or with respect to the performance of Seller's obligations under this Agreement and the other Seller Documents.

(iii) Seller has entered into this Agreement as of the Effective Date, and this Agreement is in full force and effect and constitutes a valid, binding obligation upon Seller. Seller further agrees from time to time, upon Buyer's request and prior to the Closing Date, at no out-of-pocket cost to Seller, to confirm to Buyer, to Seller's knowledge, that this Agreement is in full force and effect and there are no defaults hereunder (or disclosing any known items to the contrary). Seller shall also state whether to, Seller's knowledge, any conditions for the closing of the transaction contemplated thereunder remain unsatisfied.

(iv) This Agreement and Seller's Documents do not and will not contravene any provision of the organizational documents of Seller, any judgment, order, decree, writ or injunction issued against Seller, or any provision of any laws applicable to Seller. The consummation of the transactions contemplated hereby will not result in a breach or constitute a default or event of default by Seller under any agreement to which Seller or any of its assets are subject or bound and will not result in a violation of any laws applicable to Seller.

(v) To Seller's knowledge, Seller has not received a written notice of any currently pending or threatened judicial, municipal or administrative proceedings against the Premises (or against Seller that would directly affect the Premises).

(vi) To Seller's knowledge, Seller has not received written notice of any pending or threatened condemnation proceedings affecting the Premises.

(vii) To Seller's knowledge, Seller has not received any written notice or written request from any insurance company or Board of Fire Underwriters or from any

mortgagee requesting the performance of any work or alteration in respect of the Building that has not been performed;

(viii) To Seller's knowledge, except for the Notices of Violation, Seller has not received any written notice from any governmental entity of any violations or alleged violations of any laws, rules, regulations or codes with respect to the Premises which have not been cured.

(ix) Seller will terminate any maintenance, service or utility contracts entered into by Seller affecting the Premises as of the Closing. To Seller's knowledge, there are not any maintenance, service or utility contracts entered into by Seller that will continue to affect the Premises after the Closing.

As used herein, "**Seller's knowledge**" means the current, actual knowledge, without duty of inquiry or investigation, of Amy Austin, LEED AP, Portfolio Manager, Arden Realty, Inc., and does not include knowledge imputed to Seller from any other person or entity. The named individual is acting for and on behalf of Seller and in a capacity as an officer or employee of Seller or one more of Seller's affiliates and is in no manner expressly or impliedly making any representations or warranties in an individual capacity. Buyer waives any right to sue or to seek any personal judgment or claim against the named individual.

(c) Buyer Representations and Warranties. Buyer warrants and represents to Seller as follows:

(i) Buyer is a Body politic and corporate.

(ii) Buyer has the full legal right, power, authority and financial ability to execute and deliver this Agreement and all of Buyer's Documents, to consummate the transactions contemplated hereby, and to perform its obligations hereunder and under all of Buyer's Documents. Other than those which have already been obtained by Buyer (including approval, prior to the execution hereof, of the County of Los Angeles Board of Supervisors on November 25, 2014), no further consents or approvals are required from the Board of Supervisors or other governmental authorities or third parties in connection with the purchase of the Premises or with respect to the performance of Buyer's obligations under this Agreement and the other Buyer Documents.

(iii) Buyer has entered into this Agreement as of the Effective Date, and this Agreement is in full force and effect and constitutes a valid, binding obligation upon Buyer. Buyer further agrees from time to time, upon Seller's request and prior to the Closing Date, at no out-of-pocket cost to Buyer, to confirm to Seller, to Buyer's knowledge, that this Agreement is in full force and effect and there are no defaults hereunder (or disclosing any known items to the contrary). Buyer shall also state whether, to Buyer's knowledge, any conditions for the closing of the transaction contemplated thereunder remain unsatisfied.

(iv) This Agreement and Buyer's Documents do not and will not contravene any provision of the organizational documents of Buyer, any judgment, order, decree, writ or injunction issued against Buyer, or any provision of any laws applicable to Buyer. The consummation of the transactions contemplated hereby will not result in a breach or constitute a default or event of default by Buyer under any agreement to which Buyer or any of its assets are subject or bound and will not result in a violation of any laws applicable to Buyer.

(v) To Buyer's knowledge, Buyer has not received any written notice of any currently pending or threatened judicial actions, proceedings or investigations which may have an adverse impact on the transactions contemplated hereby.

(vi) To Buyer's knowledge, Buyer has taken, and shall continue to take until Closing, such measures as are required by law to assure that the funds used to pay the Purchase Price, including any deposits, are derived from transactions that do not violate United States law.

As used herein, "**Buyer's knowledge**" means the current, actual knowledge, without duty of inquiry or investigation, of Chris Montana, Director of Real Estate, and does not include knowledge imputed to Buyer from any other person or entity. The named individual is acting for and on behalf of Buyer and in a capacity as an employee of Buyer is in no manner expressly or impliedly making any representations or warranties in an individual capacity. Buyer waives any right to sue or to seek any personal judgment or claim against the named individual.

(d) Remade on Closing Date. The representations and warranties of Buyer and Seller set forth in this Agreement shall be true, accurate and correct in all material respects upon the execution of this Agreement, and shall be deemed to be re-made on and as of the Closing Date (except as they relate only to an earlier date).

(e) Notice of New or Newly Discovered Matters. At any time prior to the fifth (5th) Business Day prior to the Approval Deadline, Seller may notify Buyer in writing of any new or newly discovered fact or condition that would constitute a breach of any of Seller's representations and warranties set forth in Sections 10(b)(viii) through 10(b)(xi), inclusive, above (a "**New Matter**"), and such New Matter shall be deemed an approved exception to Seller's representations and warranties and Seller shall have no liability with respect thereto. At any time on or after the fifth (5th) Business Day prior to the Approval Deadline, Seller may notify Buyer of any New Matter, and Buyer shall have until ten (10) Business Days following receipt of notice of such New Matter to terminate this Agreement, in which case Title Company shall return the Deposit to Buyer, and Buyer and Seller will have no further rights and obligations under this Agreement except the Surviving Obligations. If Buyer does not so terminate this Agreement within ten (10) Business Days following receipt of notice of such New Matter, such New Matter shall be deemed an approved exception to Seller's representations and warranties and Seller shall have no liability with respect thereto. Notwithstanding the above, any New Matter arising from the acts of Buyer or its agents or representatives shall constitute a Permitted Exception (and shall not constitute a breach of any representation or warranty by Seller or entitle Buyer to a refund of its Deposit or any right to terminate this Agreement).

(f) Limitations. Seller's and Buyer's representations and warranties set forth above in this Section 10 shall survive the Closing for a period of six (6) months following the Closing Date (the "**Limitation Period**"). No claim for a breach of any Seller representation or warranty in this Agreement or any document delivered at Closing ("**Seller Representations**") shall be actionable or payable if that breach arises from a fact or condition disclosed in any of the Due Diligence Materials, is disclosed to Buyer pursuant to Section 10(e) above, is disclosed by the Permitted Exceptions, or otherwise becomes known to or is discovered by Buyer before the Closing. Further, no claim for a breach of any Seller Representations shall be actionable or payable (i) unless the valid claims for all such breaches collectively aggregate Ten Thousand and 00/100 Dollars ($10,000.00) or more, in which event the full amount of such valid claims shall be actionable up to, but not exceeding, the amount of the Cap (as defined below), and (ii) unless written notice containing a description of the specific nature of such breach is given by

Buyer to Seller before the expiration of the Limitation Period and an action is commenced by Buyer against Seller with respect to any such claims within ninety (90) days after the expiration of the Limitation Period. Seller shall not be liable to Buyer to the extent Buyer's claim is actually recovered by Seller from any other party pursuant to any insurance policy, service contract, warranty, guaranty or Lease. As used herein, the term "**Cap**" shall mean the total aggregate amount of Three Hundred Eighty-Two Thousand Seven Hundred Seventy-Four and 00/100 Dollars ($382,774.00). In no event shall Seller's aggregate liability to Buyer for any and all breaches of any Seller Representation exceed the amount of the Cap, and Buyer hereby waives and disclaims any right to damages or compensation for any and all such breaches in excess of the Cap. In no event shall Buyer have any right to seek or recover from Seller any punitive, speculative, special or consequential damages arising from a breach of Seller's representations and warranties.

(g) **Seller "Know Your Customer" Requirements**. Buyer acknowledges that prior to Closing, Seller must satisfactorily complete, as determined in Seller's reasonable discretion, certain "know your customer" diligence regarding Buyer, including understanding who Buyer is and Buyer's source of funds. Buyer shall reasonably cooperate with Seller in these efforts, including notifying Seller promptly of any inaccuracies in its representations and warranties set forth in this Agreement.

(h) The provisions of this Section 10 shall survive the Closing.

11. Seller's Remedies Upon Default of Buyer.

(a) If Buyer fails to consummate the Closing under this Agreement for any reason except Seller's default, failure of a Buyer's closing condition, or a termination of this Agreement (for a reason other than a default) by Buyer or Seller pursuant to a right to do so under the provisions of this Agreement, Seller may terminate this Agreement and thereupon shall be entitled to the Deposit as liquidated damages (and not as a penalty) and as Seller's sole remedy and relief hereunder (except as provided in the last sentence of this Section 11(a)). THE PARTIES HERETO EXPRESSLY AGREE AND ACKNOWLEDGE THAT SELLER'S ACTUAL DAMAGES IN THE EVENT OF A DEFAULT BY BUYER WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO ASCERTAIN AND THAT THE AMOUNT OF THE DEPOSIT PLUS ANY INTEREST ACCRUED THEREON REPRESENTS THE PARTIES' REASONABLE ESTIMATE OF SUCH DAMAGES. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.

Seller's Initials:_____ Buyer's Initials:_____

The foregoing liquidated damages provisions shall not in any way limit, affect or impair any of Seller's remedies under this Agreement, or at law or in equity, with respect to Buyer's Surviving Obligations or any reasonable attorneys' fees or enforcement costs.

(b) If and only if, for any reason the liquidated damages provision in Section 11(a) above is not enforceable against Buyer, in the event of Buyer's default under this Agreement Seller shall have all available rights and remedies at law or in equity including without limitation the right to seek damages and/or specific performance.

12. Buyer's Remedies Upon Default of Seller.

(a) If Seller fails to close the transaction contemplated by this Agreement for any reason except Buyer's default, failure of a Seller's closing condition or a termination of this Agreement (for a reason other than a default) by Buyer or Seller pursuant to a right to do so under the provisions of this Agreement, Buyer, as its sole and exclusive remedy may either:

(i) terminate this Agreement by written notice to Seller and Title Company, in which case Title Company shall return the Deposit to Buyer and neither party shall have any further right or obligation hereunder other than the Surviving Obligations; provided that in the event of an Intentional Seller Default (as defined below), Buyer may recover from Seller Buyer's reasonable third-party out-of-pocket expenses actually incurred in connection with the transaction contemplated by this Agreement, up to (but not exceeding) One Hundred Fifty Thousand and 00/100 Dollars ($150,000.00) in the aggregate; or

(ii) pursue the remedy of specific performance of Seller's obligations to proceed to Closing under Section 8 of this Agreement; provided, however, that: (A) Buyer shall only be entitled to such remedy if (1) any such suit for specific performance is filed within ninety (90) days after Buyer becomes aware of the default by Seller, (2) Buyer is not in material default under this Agreement, and (3) Buyer has furnished ten (10) days prior written notice to Seller of its intent and election to seek specific enforcement of this Agreement; and (B) Buyer agrees to accept the Premises in its "AS IS, WHERE IS" condition in accordance with this Agreement, and Seller shall not be obligated to expend any sums to cure any defaults under this Agreement except for nonpayment of Seller Liens and any Seller Surviving Obligations.

(b) As used herein, an "**Intentional Seller Default**" means an intentional and deliberate or grossly negligent act of Seller taken on or after the Effective Date that is intended to result in, and does result in, Buyer's inability to consummate the transaction contemplated in this Agreement for a reason other than Buyer's default or the failure of any condition to Closing to be satisfied.

(c) Buyer agrees that prior to exercising any rights or remedies as a result of any defaults by Seller, Buyer shall first deliver written notice of the default to Seller, and if Seller so elects, Seller shall have the opportunity, but not the obligation, to cure such default within ten (10) days after Seller's receipt of such notice.

(d) At no time prior to the Closing shall Buyer file any memorandum or other instrument of record against title to the Premises; provided, however, Buyer may file a lis pendens of this Agreement simultaneously with its filing of a suit for specific performance pursuant to this Section 12.

(e) Notwithstanding any of the foregoing to the contrary, in no event shall Buyer have, and Buyer hereby waives, any and all rights to seek (i) any punitive, speculative, special or consequential damages, and (ii) money damages of any kind as a result of any default by Seller under any of the terms of this Agreement, except for (A) nonpayment of Seller Liens and any Seller Surviving Obligations, and (B) the recovery of expenses (including reasonable attorneys' fees incurred to force Seller to pay the same if Seller refuses to do so within ten (10) Business Days after demand) following an Intentional Seller Default pursuant to Subsection 12(a)(i) above. The waiver set forth in the preceding sentence specifically survives Closing or the earlier termination of this Agreement.

13. Risk of Loss; Eminent Domain.

(a) If, prior to the Closing, all or any portion of the Building is damaged by fire, vandalism, acts of God or other casualty or cause, Seller shall promptly give Buyer written notice of any such damage, together with Seller's estimate of the cost and period of repair and restoration. In any such event: (i) in the case of damage to the Building of less than Three Hundred Fifty Thousand and 00/100 Dollars ($350,000.00) and from a risk "fully covered" (as defined below) by Seller's insurance, Buyer shall take the Building at the Closing as-is, together with the insurance proceeds or the right to receive the same and a credit against the Purchase Price for any deductible; or (ii) in the case of either (1) damage to the Building of Three Hundred Fifty Thousand and 00/100 Dollars ($350,000.00) or more, or (2) damage to the Building from a risk not covered by Seller's insurance, Buyer shall have the option of (x) taking the Building at the Closing in accordance with item (i) above or (y) terminating this Agreement (pursuant to Section 13(c) below) by delivering notice of its decision to Seller within fifteen (15) days of receipt of Seller's notice of any such damage. "**Fully covered**" for purposes of this Agreement shall mean that there are paid sufficient insurance proceeds, together with the amount of any applicable deductible, on account of the subject casualty to fully repair and restore the damaged portion of the Building to its pre-casualty condition. If pursuant to this Section 13(a), Buyer is either obligated or elects to take the Building as-is together with the insurance proceeds or the right to receive the same Seller agrees to permit Buyer to participate in any loss adjustment negotiations, legal actions and agreements with the insurance company, and to assign to Buyer at the Closing its rights to such insurance proceeds and will not settle any insurance claims or legal actions relating thereto without Buyer's prior written consent.

(b) If, prior to Closing, all or any "significant" portion (as hereinafter defined) of the Premises is taken by eminent domain (or is the subject of a pending or contemplated taking which has not been consummated), Seller shall notify Buyer of such fact and Buyer shall have the option to terminate this Agreement upon written notice to Seller given not later than fifteen (15) days after Buyer's receipt of Seller's notice. If this Agreement is so terminated, the provisions of Section 13(c) shall apply. If Buyer does not elect to so terminate this Agreement or if an "insignificant" portion ("**insignificant**" is herein deemed to be any taking which is not "significant") of the Premises is taken by eminent domain or condemnation, Buyer shall proceed to Closing as provided in this Agreement without abatement of or adjustment to the Purchase Price and, at Closing, Seller shall assign and turn over all compensation and damages awarded or the right to receive same with respect to such taking, condemnation or eminent domain. A "**significant portion**" includes: any portion of the Building; any portion of the parking areas or the predominant means of ingress thereto or egress therefrom.

(c) If this Agreement is terminated pursuant to this Section 13, any and all monies deposited by Buyer into escrow including all interest earned thereon shall be delivered by Title Company to Buyer, subject, however, to Buyer's obligation to return the Due Diligence Materials to Seller, and the parties hereto shall be released from all further obligations and liabilities hereunder, except for the Surviving Obligations. Buyer and Seller waive any and all applicable laws relating to casualty or condemnation that would give Buyer or Seller the right to terminate this Agreement, or that are contrary to the provisions in this Section 13, in the event of a casualty or condemnation affecting the Premises (it being the parties' intent that this Section 13 shall exclusively govern the parties' rights in the event of a casualty or condemnation affecting the Premises). Possession of the Premises shall be delivered to Buyer as of the Closing.

14. **Binding Effect**. This Agreement shall be binding upon, shall inure to the benefit of, and shall be enforceable by, the parties hereto and their respective heirs, personal representatives, successors and permitted assigns (subject, however, to the restrictions in Section 25 below).

15. **Governing Law**. This Agreement shall be governed by and construed under and in accordance with the laws of the State of California. Any litigation with respect to this Agreement shall be conducted in the County of Los Angeles, California.

16. **Time of Essence**. Time shall be deemed of the essence with respect to consummating the transactions contemplated under this Agreement on the Closing Date and with respect to all other obligations of Buyer and Seller hereunder.

17. **Counterparts**. This Agreement may be executed in one or more counterparts each of which shall be deemed an original but all of which shall constitute one and the same Agreement.

18. **Waiver**. Except as otherwise provided herein, the failure of Seller or Buyer to insist upon or enforce any of their respective rights hereunder shall not constitute a waiver thereof.

19. **Construction**. Each party hereto acknowledges that all parties hereto have participated equally in the drafting of this Agreement and that accordingly, no court construing this Agreement shall construe it more stringently against one party than the other.

20. **Insertion of Corrections or Modifications**. Typewritten or handwritten provisions inserted in this Agreement or in the exhibits hereto (and initialed by the parties) shall control all printed provisions in conflict therewith.

21. **Captions**. The captions used herein have been included for convenience of reference only and shall not be deemed to vary the content of this Agreement or limit the provisions or scope of any section or paragraph hereof.

22. **Pronouns**. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or entity may require.

23. **Severability**. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but in the event that any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

24. **Broker**. Buyer and Seller acknowledge that (i) Cushman & Wakefield of California, Inc., through its agents Messrs. Ron Heim and Tom Sheets (collectively hereinafter referred to as "**Broker**") represent Seller and is the sole broker with whom either Seller or Buyer has dealt in connection with the Premises and the transactions described herein, and (ii) Buyer represents itself with respect to the transactions described herein. Seller shall be liable for a commission to Broker equal to two percent (2%) of the Purchase Price, payable upon the Closing and conditioned upon the occurrence of the Closing, and Broker has agreed to pay fifty percent (50%) of such commission (i.e., one percent (1%) of the Purchase Price) to Buyer,

payable upon the Closing and conditioned upon the occurrence of the Closing. Seller and Buyer agree that the foregoing payments shall be made through the Escrow at (and conditioned upon the occurrence of) the Closing. Each party hereto agrees to indemnify, defend and hold the other harmless from and against any and all claims, causes of action, losses, costs, expenses, damages or liabilities, including reasonable attorneys' fees and disbursements, which the other may sustain, incur or be exposed to, by reason of any claim or claims by any broker, finder or other person (except for Seller's obligation to Broker as described above), for fees, commissions or other compensation arising out of the transactions contemplated in this Agreement, if such claim or claims are based in whole or in part on dealings, discussions or agreements with the indemnifying party; provided, however, that Buyer shall not indemnify Seller against any claims of Broker with respect to Seller's failure to meet its obligation to Broker as described above). The obligations and representations contained in this Section 24 shall survive the termination of this Agreement and the Closing.

25. Restriction on Buyer Assignment. This Agreement may not be assigned by Buyer without the prior written consent of Seller, which consent may be given or withheld in the sole and absolute discretion of Seller.

26. Merger. All prior statements, understandings, letters of intent, representations and agreements between the parties, oral or written, are superseded by and merged in this Agreement, which alone fully and completely expresses the agreement between Seller and Buyer in connection with this transaction and which is entered into after full investigation, neither party relying upon any statement, understanding, representation or agreement made by the other not embodied in this Agreement.

27. Exhibits. All of the Exhibits annexed hereto are incorporated herein by reference and form a part of this Agreement.

28. Use of the Word "Herein". Use of the words "herein," "hereof," "hereunder" and any other words of similar import refer to this Agreement as a whole and not to any particular article, section or other paragraph of this Agreement unless specifically noted otherwise in this Agreement.

29. Date of Performance. If the date of the performance of any term, provision or condition of this Agreement shall happen to fall on a Saturday, Sunday or other non-Business Day, the date for the performance of such term, provision or condition shall be extended to the next succeeding Business Day immediately thereafter occurring.

30. Third Parties. This Agreement shall not be deemed to confer in favor of any third parties any rights whatsoever as third-party beneficiaries, the parties hereto intending by the provisions hereof to confer no such benefits or status.

31. Acceptance of the Deed. The delivery by Seller and the acceptance by Buyer of the Deed shall be deemed to be the full performance and discharge of every agreement, obligation, and covenant, guaranty, representation, or warranty on the part of Seller and Buyer, respectively, to be performed pursuant to the provisions of this Agreement in respect of the Premises, except for the Surviving Obligations. Certain provisions of this Agreement, as expressly provided herein, shall survive Closing or termination. This Section shall survive the Closing.

32. **Notices**. All notices, elections, consents, approvals, demands, objections, requests or other communications which Seller or Buyer may be required or desire to give pursuant to, under or by virtue of this Agreement (collectively, "**Notices**") must be in writing and sent by (a) first class U.S. certified mail, return receipt requested, with postage prepaid, or (b) express mail or courier (same day or next day delivery), addressed to the respective party at the address for each first set forth above. Seller or Buyer may designate another addressee or change its address for notices and other communications hereunder by a notice given to the other in the manner provided in this Section 32. A notice or other communication shall be deemed to have been properly sent and given when received by the addressee.

To Buyer:

County of Los Angeles
Board of Supervisors
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713
Los Angeles, CA 90012

With a copy to:

County of Los Angeles
Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012
Attn: Director of Real Estate

To Seller:

1977 Saturn LLC
c/o Arden Realty, Inc.
A GE Capital Real Estate company
3150 S. 48th Street, Suite 150
Phoenix, AZ 85040
Attn: Amy Austin, Portfolio Manager

With a copy to:

_____
_____
Attn: Cindy Bell, Esq.

With a copy to:

Sheppard Mullin Richter & Hampton LLP
650 Town Center Drive, 4th Floor
Costa Mesa, CA 92626-1993
Attn: Steven C. Nock, Esq.

33. **No Modification**. This Agreement constitutes the entire agreement between the parties hereto with respect to the transactions contemplated hereby and supersedes all prior understandings or agreements between the parties as to the subject matter hereof. No term or provision of this Agreement may be changed or waived, discharged or terminated orally, but

only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Notwithstanding the above, the parties acknowledge that they previously entered into the Access Agreement and the Confidentiality Agreement, which are independent agreements.

34. **Limitation on Liability**. All claims, demands, liabilities, or causes of action (whether in contract or in tort, in law or in equity, or granted by statute) that may be asserted by Buyer or any of its members, directors, officers, shareholders, employees, advisors, affiliates, agents, attorneys, or their respective successors and assigns (each, a "**Buyer Party**" and collectively, the "**Buyer Parties**") arising from, related to or in connection with this Agreement, or the negotiation, execution, or performance of this Agreement, may be made only against Seller. No present or future partner, member, director, officer, shareholder, employee, advisor, affiliate, agent, attorney, property manager, or asset manager of or in Seller or any person or entity holding a direct or indirect interest in any of the foregoing (each, a "**Seller Party**" and collectively, the "**Seller Parties**") shall have any direct or indirect personal liability arising from, related to or in connection with this Agreement or the negotiation, execution, or performance thereof, and to the maximum extent permitted by law, Buyer hereby waives any and all such personal liability against any and all Seller Parties. The limitations on liability contained in this Section 34 are in addition to, and not in limitation of, any limitation on liability applicable to Seller and the Seller Parties provided in any other provision of this Agreement or by law or by any other contract, agreement or instrument. Without limiting the foregoing, to the maximum extent permitted by law, Buyer, on behalf of itself and the other Buyer Parties, (a) hereby waives and releases any and all rights, claims, demands, or causes of action that may otherwise be available at law or in equity, or granted by statute, to avoid or disregard the entity form of Seller or otherwise impose liability of Seller on any Seller Party, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise; and (b) disclaims any reliance upon any Seller Party with respect to the performance of this Agreement or any representation or warranty made in, in connection with, or as an inducement to this Agreement.

35. **Rights of Title Company**. If there is any dispute as to whether the Title Company is obligated to deliver any monies and/or documents which it now or hereafter holds, including, without limitation, the Deposits (collectively, the "**Escrowed Property**") or as to whom any Escrowed Property are to be delivered, the Title Company shall not be obligated to make any delivery, but, in such event, may hold same until receipt by the Title Company of an authorization, in writing, signed by all of the parties having an interest in such dispute directing the disposition of same; or, in the absence of such authorization, the Title Company may hold any Escrowed Property until the final determination of the rights of the parties in an appropriate proceeding. Within three (3) Business Days after receipt by the Title Company of a copy of a final judgment or order of a court of competent jurisdiction, certified by the clerk of such court or other appropriate official, the Escrowed Property shall be delivered as set forth in such judgment or order. A judgment or order under this Agreement shall not be deemed to be final until the time within which to take an appeal therefrom has expired and no appeal has been taken, or until the entry of a judgment or order from which no appeal may be taken. If such written authorization is not given or proceeding for such determination is not begun and diligently continued, the Title Company shall have the right to bring an appropriate action or proceeding for leave to deposit the Escrowed Property in court, pending such determination. In the event that the Title Company places any Escrowed Property in the registry of the governing court in and for Los Angeles County, California and files an action of, interpleader, naming the parties hereto, the Title Company shall be released and relieved from any and all further obligation and

liability hereunder or in connection herewith. If, without gross negligence on the part of the Title Company, the Title Company shall become a party to any controversy or litigation with respect to the Escrowed Property or any other matter respecting this Agreement, Seller and Buyer shall jointly and severally hold Title Company harmless from any damages or losses incurred by Title Company by reason of or in connection with such controversy or litigation. The provisions of this Section 35 shall survive the Closing or termination of this Agreement.

[Signatures on following page(s)]

IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be executed and delivered, as of the Effective Date.

"**Seller**"

1977 SATURN LLC,
a Delaware limited liability company

By: GE Commercial Finance Business Property,
a Delaware corporation,
its Manager

By: _____
Name: _____
Title: _____

"**Buyer**"

COUNTY OF LOS ANGELES,
a body politic and corporate

By: _____
William T Fujioka,
Chief Executive Officer

APPROVED AS TO FORM:

MARK J. SALADINO
County Counsel

By: _____
Deputy

ACCEPTANCE BY TITLE COMPANY

The undersigned hereby accepts the duties of Title Company, as escrow agent and as title agent, under that certain Agreement for Purchase and Sale between 1977 Saturn LLC, a Delaware limited liability company, as Seller, and the County of Los Angeles, as Buyer, dated November __, 2014, and relating to the property located at 1977 Saturn Street, Monterey Park, CA, 91755-7418, as more particularly described in said Agreement, subject to and in accordance with all the terms and conditions thereof.

Dated _____, 2014

FIDELITY NATIONAL TITLE INSURANCE COMPANY

By: _____

Its Duly Authorized Representative

LIST OF EXHIBITS

Exhibit A	Due Diligence Materials
Exhibit B	Legal Description of the Premises
Exhibit C	Grant Deed
Exhibit D	Bill of Sale

Exhibit A

DESCRIPTION OF DUE DILIGENCE MATERIALS

The Due Diligence Materials shall contain each of the following, but only to the extent that they exist and are in Seller's or Seller's property manager's direct possession (but excluding all Confidential Materials):

(a) Capital expenditure history for the last three full calendar years prior to the year in which the Agreement is executed.

(b) Tax bills for the Premises for the last three full calendar years prior to the year in which the Agreement is executed, together with the tax bill for the current year.

(c) Environmental, asbestos, soils, structural and physical inspection reports prepared by third party consultants for the Premises (provided that Seller may require Buyer to execute a customary "no-reliance" letter as a condition to delivery of any third party consultant report).

(d) Building plans and specifications.

(e) Copies of "Permits" and operating licenses for the Premises. "**Permits**" means permits, licenses, approvals, entitlements and other governmental authorizations (including certificates of occupancy) required in connection with the ownership, planning, development, construction, use, operation or maintenance of the Premises.

(f) The Title Report/Commitment, together with underlying documents and any surveys of the Premises.

(g) ***[Need additional report(s) from GECC]***

EXHIBIT B

LEGAL DESCRIPTION OF THE PREMISES

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MONTEREY PARK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

PARCEL 5 OF PARCEL MAP NO. 7972, IN THE CITY OF MONTEREY PARK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 80 PAGES 45 AND 46 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPTING ALL OIL, GAS, HYDROCARBON SUBSTANCES, AND ALL MINERALS OF EVERY KIND, NATURE AND DESCRIPTION BEING MORE THAN 500 FEET BELOW THE SURFACE OF THE REAL PROPERTY WITHOUT THE RIGHT OF ENTRY FOR ANY PURPOSE WHATSOEVER UPON, OVER OR INTO THE SURFACE OR 500 FEET OF THE SURFACE OF THE REAL PROPERTY, AS RESERVED BY LOWRY B. MCCASLIN AND PAULINE C. MCCASLIN, HUSBAND AND WIFE AND MCCASLIN PROPERTIES, A CALIFORNIA GENERAL PARTNERSHIP, BY DEED RECORDED DECEMBER 10, 1985 AS INSTRUMENT NO. 85-1456239, OFFICIAL RECORDS.

PARCEL 2:

LOTS 1, 2, 3 AND 16 OF TRACT NO. 33910, IN THE CITY OF MONTEREY PARK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 909 PAGES 76 TO 79 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPTING ALL OIL, GAS, HYDROCARBON SUBSTANCES, AND ALL MINERALS OF EVERY KIND, NATURE AND DESCRIPTION BEING MORE THAN 500 FEET BELOW THE SURFACE OF THE REAL PROPERTY WITHOUT THE RIGHT OF ENTRY FOR ANY PURPOSE WHATSOEVER UPON, OVER OR INTO THE SURFACE OR 500 FEET OF THE SURFACE OF THE REAL PROPERTY, AS RESERVED BY LOWRY B. MCCASLIN AND PAULINE C. MCCASLIN, HUSBAND AND WIFE AND MCCASLIN PROPERTIES, A CALIFORNIA GENERAL PARTNERSHIP, BY DEED RECORDED DECEMBER 10, 1985 AS INSTRUMENT NO. 85-1456239, OFFICIAL RECORDS.

Assessor's Parcel Number: 5265-026-054

EXHIBIT C

GRANT DEED

RECORDING REQUESTED BY
COUNTY OF LOS ANGELES

WHEN RECORDED MAIL TO:

County of Los Angeles
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012
Attention: Christopher M. Montana

Space above this line for Recorders use

ASSESSOR'S IDENTIFICATION NUMBER: **5265-026-054**

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **1977 SATURN LLC**, a Delaware limited liability company ("**Grantor**"), does hereby grant to the **COUNTY OF LOS ANGELES COUNTY,** a body politic and corporate ("**Grantee**"), all of Grantor's rights, title and interests to that certain real property located at 1977 Saturn Street, in the City of Monterey Park, County of Los Angeles, State of California, legally described in Exhibit A, attached hereto and incorporated herein by this reference (the "**Property**").

This Deed is made and accepted (and the Property is accepted) expressly subject to: (i) all matters of record (and any off-record matters disclosed to and accepted by Grantee in its title policy for the Property); and (ii) without limiting the foregoing, all matters not included within the implied grantor warranties set forth in California Civil Code Section 1113.

"Grantor"

1977 SATURN LLC,
a Delaware limited liability company

By: GE Commercial Finance Business Property,
a Delaware corporation, its Manager

By: _____
Name: _____
Title: _____

EXHIBIT D

BILL OF SALE

(Personal Property)

This Bill of Sale is given, and the conveyance of Personal Property (as defined below) is made, concurrently with and as an incident to the conveyance by Seller to Buyer of the real property described in Schedule 1 attached hereto (the "**Property**"), pursuant to that certain Agreement of Purchase and Sale dated as of _____, 2014, between _____, as Seller, and _____, as Buyer (the "**Purchase and Sale Agreement**"). All capitalized terms used and not defined in this Bill of Sale shall have the meanings given to such terms in the Purchase and Sale Agreement.

For good and valuable consideration, the receipt of which is hereby acknowledged, _____, a _____ ("**Seller**") hereby quitclaims and releases to _____, a _____ ("**Buyer**") all right, title and interest of Seller, if any (and without any express or implied representation that Seller holds any such interest), in and to all fixtures, machinery, underground storage tanks, generators and batteries, equipment, supplies and other articles of personal property in, on or under the Land or the Building following Tenant's vacating of the Premises and removal by Tenant of all or some of its personal property pursuant to the Lease (collectively, the "**Personal Property**"). The Personal Property, however, does not include any Confidential Materials.

ALL OF THE PERSONAL PROPERTY IS TRANSFERRED AND ACCEPTED "AS IS" AND "WHERE-AS", IN ACCORDANCE WITH THE PROVISIONS OF SECTION 6 OF THE PURCHASE AND SALE AGREEMENT.

Dated as of _____, 2014

"Seller"

_____,
a _____

By: _____
Name: _____
Title: _____

ACCEPTED AND AGREED:

"Buyer"

_____,
a _____

By: _____
Name: _____
Title: _____

[Attach Schedule 1 – Legal Description of the Property]